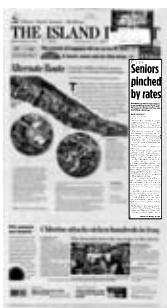


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Seniors pinched by rates

Residents at Hilton Head Island assisted-living facility have seen increases in service costs as new ownership takes over.

By PETER FROST

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Between Feb. 1 and May 1, 94-year-old Florence Koehler will pay \$900 more per month to continue living in a Hilton Head Island assisted-living facility.

The services she requires — help with bathing and dressing, administering medications, housekeeping and transportation — have not changed

— since she moved from “independent” to “assisted” living at Hawthorne Inn last year.

What has changed is ownership of the facility.

In June 2006, the center was sold to an Oregon-based company. That company hired SunWest Management, also Oregon-based, to manage the facility.

SunWest Management has been the focus of state investigations in California, Arizona and Washington. It has faced sanctions in California and Arizona. It has been named in a class-action suit in California and in lawsuits in Georgia and Wyoming. Additionally, it was the focus of a federal investigation in Washington and Oregon.

Locally, SunWest met with residents and families to announce the new rate structure, which would raise some monthly payments as much as \$2,000, according to several sources.

Those rate increases began in February. Several residents of the assisted-living unit at Hawthorne Inn moved out, said a former administrator and other area assisted-living facility managers who have received some of those patients.

Barbara Rauch, regional manager for SunWest, did not dispute that some residents left. But she said Hawthorne Inn's base room rates, which include

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meals, weekly housekeeping, utilities, activities and some transportation, did not change.

The facility added "level of care" service charges — additional fees based on the special services some residents require — which include help with bathing, dressing and administering medications. Rauch said those fees were not charged by the facility's previous owner.

The service increases, phased in over six months, didn't affect all assisted-living residents — only those whose individual service plans call for extra services.

'A STEEP INCREASE'

Among those affected was Koehler.

When she moved into the assisted-living unit, she was responsible for a base monthly room rate of about \$3,500 and additional services of about \$300.

From February through April, Koehler's monthly rates went up \$450. Beginning May 1, her rates will increase by another \$450. The additional charges amount to a nearly 20 percent rise per month.

"That's a pretty steep increase, especially when you have someone who's not swimming in income," said Conrad Koehler, who manages his mother's financial affairs. "We have to keep rearranging finances to figure out how we're going to pay for it."

Rauch, who was out of the area Friday, couldn't confirm those numbers.

But, she said, she'd be "more than happy to sit down with family members and go over our rates to make sure everyone understands our charges. ... We will work with our residents."

Because many residents are elderly, and some on fixed incomes, they simply couldn't afford the increases, said Suzan Sheridan, Hawthorne Inn's former director. She resigned last year after the center was sold to SunWest.

"A lot of people just could not

afford that type of adjustment," Sheridan said.

She called SunWest "a good company with good policies and good procedures." But she said the increases, which she called "pretty dramatic," factored into her decision to leave. She also said she was offered a better job with higher pay.

DISRUPTED LIVES

Prior to its acquisition by Sun West, the Hawthorne Inn was profitable, said John Zellman, controller for Illinois-based RFMS Inc., the previous owner that still operates similar facilities in Florida, Nevada, Iowa and Illinois.

The facilities that RFMS operates are considering rate increases, but "nothing too substantial," Zellman said.

It's not uncommon for assisted-living centers to alter rates from year-to-year, said Eric Fennell, executive director of Carolina House in Bluffton, an assisted-living and memory-care center. But most often, Fennell said, those increases don't top the 6 percent mark if the number of services required by a resident doesn't change.

Conrad Koehler suspects SunWest may have another motive beyond the bottom line.

"It appeared that they're trying to drive out all of the assisted-living crowd, which cost more to take care of," he said. "It's obvious from the number of people that had to leave."

His mother may be among them.

Rauch denied SunWest was pushing out assisted-living residents.

The Koehlers are considering a less expensive facility, but it's a move they'd rather not make.

Relocating the elderly can have negative emotional and physical effects, according to a number of studies on the subject.

"Moving them around from place to place can confuse them and cause problems," Conrad Koehler said. "It's a shame. My mother is used to it, she's comfortable. ... Then they start pulling this kind of stuff on us."

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